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FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 3168  
INFO MERCOSUR COLLECTIVE

UNCLAS BUENOS AIRES 000241

E.O. 12958: N/A

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SUBJECT: ARGENTINA: AMBASSADOR MEETS WITH ENERGY SECRETARY CAMERON

11. Ambassador Wayne met on March 2 with Planning Ministry Energy Secretary Daniel Cameron to highlight the USG focus on alternative and renewable energy at the upcoming Summit of the Americas (SOA) and to inquire about the GOA's priority areas for cooperation. Cameron outlined these priorities as co-generation, biomass and enzymes for second-generation biofuels, wind and solar power. He also stressed the benefit of a good dialogue on efficiency and regulations. He said he was open to wide cooperation with the U.S.

12. Cameron noted that Spain was pushing for the creation of an organization that would group all Latin American countries to consolidate and promote their alternative energy initiatives. He was skeptical about the benefits of such an entity, which he thought would duplicate existing structures. Cameron pointed to UNASUR (the Union of South American countries) as the appropriate structure to deal with energy security more broadly for South America. Cameron also stressed the importance of non-discriminatory treatment in alternative energy, referring in particular to Germany's growing opposition to biodiesel made out of soybeans (Argentina is the leading world exporter of biodiesel, all of it made from soybeans).

13. Cameron noted that the GOA had taken the decision to progressively reduce subsidies on electricity tariffs that were imposed in the aftermath of the 2001-2002 economic crisis. (These subsidies have been a major impediment to the development of alternative energy, in particular wind farms.) Cameron noted his hope that oil prices would stabilize in the \$55-\$65 range to make longer range planning on alternative energy sources more viable. He emphasized the GOA's interest in developing wind and solar energy and pointed out that all rural schools would be fitted with solar panels within 3-4 years, and noted the importance of hydro power for Argentina's electricity generation. He stressed the great benefits possible from international work on efficiency and best practices in regulations.

14. Cameron said he looked forward to increased cooperation and technology exchanges with the United States. He said he was very open to any ideas on substance and on mechanisms for cooperation. He said he hoped we could use the bilateral MOU signed in 2008 (WHA A/S Tom Shannon signed this MOU with Cameron in Buenos Aires on July 10, 2008, during our bilateral consultations) as a basis for expanded cooperation.

WAYNE